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EXTRAORDINARY

PART I—Section 1

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## MINISTRY OF COMMERCE AND INDUSTRY

### RESOLUTION

#### TARIFFS

*New Delhi, the 30th June 1956*

**No. 37(1)-TB/56.**—The Tariff Commission have submitted its Report on the grant of protection and/or assistance to the Calcium Carbide Industry on the basis of an inquiry undertaken by it under Section 11 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the Calcium Carbide Industry should be granted till the 31st December, 1958, and a standard rate of protective duty of 45 per cent. *ad valorem* should be levied on imported Calcium Carbide.
- (2) The Indian Standards Institution should take expeditious steps to finalise standards for Calcium Carbide.
- (3) There is need for considerable improvement in the quality of Calcium Carbide produced by the Birla Jute Manufacturing Company Ltd. who should take immediate steps to improve and maintain uniformly the quality of their product.

2. Government accept the recommendation that protection to Calcium Carbide Industry be granted till the 31st December, 1958, and necessary legislation will be undertaken in due course to implement it. As regards the rate of protective duty, the Tariff Commission have worked out that, on the basis of the fair ex-works price of saleable Calcium Carbide manufactured by the Birla Jute Manufacturing Co. a duty of 63·3 per cent. is indicated to protect the indigenous industry against foreign competition and they have further observed that even to barely cover their prime costs, overheads and interest on working capital, but without any return on the block (usually allowed at 10%) the duty required to protect this unit's product against the imported product would come to 46·5 per cent. In the light of these calculations made by the Commission, Government see no special reason to reduce

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the protective duty from the current rate of revenue duty on Calcium Carbide, which is 50 per cent. *ad valorem*, to 45 per cent. as recommended by the Tariff Commission. Steps will, therefore, be taken to fix the protective duty on imported Calcium Carbide at 50 per cent. *ad valorem*.

3. Government accept recommendation (2) and have asked the Institution to take necessary steps in this behalf.

4. The attention of M/s Birla Jute Manufacturing Co. Ltd., Calcutta, is invited to recommendation (3).

N. SUBRAHMANYAM, Jt. Secy.